PROVINCE OF SASKATCHEWAN

2012

ANNUAL REPORT

SASKATCHEWAN
MUNICIPAL
BOARD

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This annual report is also available in electronic format from the Board's website at **www.smb.gov.sk.ca**

Letters of Transmittal

Her Honour the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Saskatchewan Municipal Board for the year ending December 31, 2012.

Jim Reiter
Minister Responsible
for the Saskatchewan Municipal Board

The Honourable Jim Reiter
Minister Responsible for the Saskatchewan Municipal Board

It is my honour to submit the Annual Report of the Saskatchewan Municipal Board for the year ending December 31, 2012.

Dianne Ford
Chair

Board Overview

The Saskatchewan Municipal Board provides both regulatory and quasi-judicial services to local authorities, primarily municipal governments, and the public. The Board also provides adjudicative and dispute resolution services for inter-municipal disputes and disputes between a municipality and the public.

The Revenue and Financial Services Act provides that the full-time members of the Board are the Board of Revenue Commissioners. The Board of Revenue Commissioners is responsible to hear and determine appeals respecting taxes imposed or assessed pursuant to, and by virtue of, a provincial taxing act and to approve write-offs or cancellation of monies owing to the Crown.

Key stakeholders include local authorities, ratepayers, developers, tax agents, financial institutions, Crowns and ministries.

The Board's total 2012 full-time equivalent (FTE) utilization was 12.2 FTEs. This was less than the 13 FTEs budgeted for, due to vacancy. The 12.2 FTEs were located at the Regina office and included 3 full-time members. Additionally, the Board had 15 part-time members located throughout the Province.

The Board's organization chart is on page 19

Mandate

The Board is legislatively mandated to exercise discretion of a regulatory and quasi-judicial nature. The Board's regulatory function is to review and authorize debt and ensure financial credibility for cities, towns, villages, northern and rural municipalities. The judicial function is to hear and determine, at the provincial level, appeals from the public in municipal matters relating to property tax assessments, municipal planning and development and noxious weed orders, and to adjudicate matters relating to road maintenance agreements and fixed farmland assessment agreements.

Key Services

The Board fulfills the majority of its mandate through "working" committees, such as the Local Government Committee, Municipal Boundary Committee, Assessment Appeals Committee, Planning Appeals Committee, Road Maintenance Agreement Committee and Fire Prevention Appeals Committee.

Key services of the Board are as follows:

- Hear and determine appeals at the provincial level on matters that require specialized knowledge. Common matters of appeal include: planning and development; assessed value of real property, local improvement assessments and tax-exempt status of a property; and, noxious weed orders.
- Review local authorities' long-term debt applications to ensure financial credibility and stability for the municipality and provide assurance of the local authorities' long-term financial sustainability to lenders and the public.
- Provide advice and approvals to local authorities on capital financing, debt management, investment policy, water and sewer rates and local improvements.
- Adjudicate applications for alteration of municipal boundaries or amalgamation of municipalities where there is a disagreement over the alteration or amalgamation.
- Provide financial supervision and/or mediation and dispute resolution services as may be referred by a local authority or requested by the appropriate minister.
- Resolution of inter-municipal disputes that arise from municipalities entering into agreements for public utilities, inter-municipal sharing of taxes and grants, creation and alteration or restructuring of municipalities, and auditing for inter-municipal bodies.
- Resolution of disputes where an agreement to fix the assessed value or property taxes on farm land in an urban municipality cannot be reached.
- Determination respecting the requirement for, terms of, or issues with the matters governed by an agreement for road maintenance between a municipality and a person.

Alignment with Government's Direction

The Saskatchewan Municipal Board's 2012 Annual Report aligns with Government's vision and three goals:

Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing opportunity for a high quality of life for all.

Government's Goals

- Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.
- Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.
- Keep Government's promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Together, all ministries and agencies support the achievement of Government's three goals, and work towards a secure and prosperous Saskatchewan.

The Board supports the Government's goals of **sustaining economic growth** and **securing Saskatchewan as a safe place to live** by:

- Providing advice and working with local authorities, primarily municipalities, on capital financing, debt management, sewer and water rate establishment and other related financial matters.
- Ensuring financial sustainability for municipalities, while assisting them in addressing critical infrastructure needs while leveraging funding and financing programs available from senior governments.
- Adjudicating applications for alteration of municipal boundaries or amalgamation of municipalities and inter-municipal disputes where there is a disagreement.

Progress in 2012

The Saskatchewan Municipal Board is an agency that responds to demands and expectations of the public and local authorities when legislation indicates such actions. It is not intended to be an agency that proactively seeks out its client base to deliver its services.

Local authorities deliver services to their respective communities, for which borrowing must often be undertaken. They are required by legislation to apply to the Board to seek approval to borrow in most instances. Likewise, local authorities seek administrative approvals for certain activities and bylaws to ensure that matters are dealt with fairly and equitably.

Local authorities and the public also come to the Board to present appeals and other disputes. There is an expectation that all parties will be heard fully by a panel with specialized knowledge and that the Board's decision will be fair and in accordance with legislation.

In all situations, the public and the local authorities expect their matters to be dealt with in a timely manner.

Goals Achieved

- Developed a formal strategic plan for the Board, considering recommendations from the Board review that was undertaken by the Ministry of Government Relations. Established our preferred future as 'focusing on excellence in customer service, the Saskatchewan Municipal Board exemplifies leadership as an administrative tribunal that provides timely, reasoned, consistent decisions and approvals'.

- Initiated a review of current technology needs with implementation of hardware upgrades in 2012. Implementation will continue with a case management system in 2013.

- Developed a new organization structure that will dynamically respond to changes in the roles the SMB plays.

- Initiated a process review and development of standardized processes for the various working committees of the Board.

- Focused on building relationships with the Board's stakeholders to improve the quality of service and customer satisfaction.

Progress and Activity by Key Areas:

Local Government Committee

The Committee is comprised of full-time members of the Saskatchewan Municipal Board.

Major Activities

- Approve long-term borrowing including debenture issues.

  The purpose of approving long-term borrowing is to ensure financial stability of local authorities and compliance with various statutes. Investors and the public are provided assurance that procedures and approvals comply with statutes and related policy. The Board also reviews and establishes debt limits for cities.

- Approve local improvements.

  The purpose of approving local improvements is to ensure financial stability and compliance with legislation for municipalities to undertake works or services that specially benefit particular lands. A portion or all of the cost of the benefiting work is charged (assessed) against the benefited land.

- Approve sewer and water rates for towns, villages, rural and northern municipalities.

  The purpose of approving water and sewer rates, charges, tolls or rents as they relate to service, is to ensure they are equitable for all users and result in the utility being self-sustaining including provision of sufficient revenue to offset current water and sewer operation expense and debt

repayment and to establish a reserve to assist with future capital expenditures.

- Provide advisory assistance.

  Provide local authorities with timely appropriate advice respecting all aspects of committee work. Participate in providing training courses.

Progress

- Local authority borrowing, local improvement and utility rate requests reviewed and approved in a consistent and timely manner.

  The strategic plan has established a goal that by 2016, ninety percent of applications will be processed within 30 days of receiving a complete application and with a maximum of two contacts from the Board. In 2012, the Board improved on the timeframe of twelve to fourteen weeks that occurred in 2011, with most utility rate requests being processed within eight weeks by the end of year 2012. Incomplete applications continue to be a factor in the delayed processing of applications.

- Local authorities have access to support.

  Staff are available to assist local authorities throughout the process, with access by phone and e-mail and responses generally available on call or within a ½ day turnaround. In 2012 the Board completed three presentations at conferences for administrators or elected officials and continued to support the Local Government Certificate courses through presentation and instruction. Presentations are placed on the website for future reference.
  The Board meets with local authorities to provide information and/or discuss any concerns or obtain information.

In 2012, the total number of borrowing applications processed declined to 91 from the average of 104 authorized per year during 2009 through 2011; however, the dollar amount of borrowing per application and the complexity of applications continue to increase.

Figures 1 to 4 illustrate ongoing approvals and authorizations of the Local Government Committee for 2012.

In addition, the Board continued to meet with local authorities with respect to their debt requirements and/or fiscal capacity and provided on-going monitoring and review of fiscal capacity for municipalities where approvals were subject to terms and conditions.

Number of Miscellaneous Approvals Issued in 2012

Sewer and Water Rates			
Public Utility Boards	Towns	Villages	Rural Municipalities
7	64	71	17
Establish Debt Limit			
Cities			
7			
Approval in Principle to Borrow (Permission not Finalized in 2012)			
Towns	Rural Municipalities	Villages	
11	2	4	
Approval in Principle to Borrow (Permission Finalized in 2012)			
Towns	Rural Municipalities		
2	1		
Extension of Time for Authorization to Borrow			
Rural Municipalities			
1			

Figure 1

Local Improvement Projects Approved in 2012

PROPOSED WORK AND ESTIMATED COST				
LOCAL AUTHORITY	NUMBER OF PROJECTS	WATER / SEWER MAINS	SURFACE WORKS	TOTAL
Cities	6	$ 378,764	$ 4,805,363	$ 5,184,127
Towns	10	577,000	360,281	$ 937,281
TOTAL	16	$ 955,764	$ 5,165,644	$ 6,121,408

Amend Financial Arrangements pursuant to Section 8(2)(b) of *The Local Improvements Act, 1993*
Towns: 1 Villages: 1

Figure 2

Debentures Signed and Sealed in 2012

LOCAL AUTHORITY	NUMBER OF ISSUES	TOTAL FACE VALUE	AVERAGE MONEY COST
Rural Municipalities	6	$ 8,236,200	3.31%
Towns	6	9,659,169	3.34%
Villages	4	2,668,000	2.80%
TOTAL	16	$ 20,563,369	

Figure 3

Agreement, Debenture, Loan and Lease Authorizations in 2012

	AGREEMENTS		DEBENTURES		LOANS		LEASES	
LOCAL AUTHORITY	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.
Conservation and Development Area Authorities	$ -	-	$ -	-	$ 3,293,817	2	$ -	-
Rural Municipalities	-	-	4,100,000	5	5,575,373	9	-	-
School Divisions	-	-	-	-	31,193,024	3	-	-
Towns	-	-	5,445,000	7	27,619,065	31	149,300	1
Villages	-	-	2,768,000	4	3,491,798	10	-	-
TOTAL	$ -	$ -	$ 12,313,000	16	$71,173,077	55	$ 149,300	1

Figure 4

Local Authority Historical Overview:

Purpose for Borrowing by Way of Debentures and Loans

CLASSIFICATION	Debentures					Loans				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
INFRASTRUCTURE	In 000's					In 000's				
Curbs, Gutters, Sidewalks	$ 27	$ -	$ -	$ -	$ -	$ 125	$ 153	$ 60	$ -	$ 896
Dams & Reservoirs	661	-	-	608	-	159	803	2,836	180	800
Pavement	243	350	8,000	9,774	350	1,022	3,360	1,800	2,817	1,922
Sewage Treatment, Lagoon	3,063	1,483	-	11,909	1,500	1,271	3,309	2,674	7,842	1,820
Water Facilities	3,698	-	3,579	4,717	3,760	4,549	2,558	26,561	11,013	19,079
Sanitary Sewers, Lift Stations	536	1,381	175	416	3,153	-	-	2,021	3,523	2,438
Transit Systems	-	-	-	-	-	-	-	-	-	-
Bridges	-	-	-	-	-	-	67	-	-	-
Gravel	-	-	-	-	-	-	-	335	-	200
Landfill	-	-	-	-	-	-	-	-	273	-
Other	92	-	-	800	-	120	1,773	-	-	-
Total	$ 8,320	$ 3,214	$11,754	$28,224	$ 8,763	$ 7,246	$12,023	$36,287	$25,648	$27,155
BUILDINGS & LAND										
Offices	$ -	$ 80	$ -	$ -	$ -	$ 500	$ 729	$ 817	$ 720	$ -
Workshops	-	-	-	-	-	-	-	-	300	-
Hospitals, Clinics	252	-	-	-	-	255	-	-	-	6,800
Recreation & Culture	675	-	1,394	47	-	16,358	4,970	800	11,650	300
Schools	-	-	-	-	-	4,406	1,005	-	-	31,193
Land	820	3,249	623	-	-	3,545	7,307	3,663	1,490	-
Fire Stations	-	-	-	200	-	-	800	-	-	153
Long-term Care Facility	-	-	-	-	3,550	-				-
Residential Housing	-	-	-	-	-	-	162	-	146	140
Stores	-	-	-	-	-	-	-	35	-	-
Other	425	-	-	853	-	-	-	-	100	3,800
Total	$ 2,172	$ 3,329	$ 2,017	$ 1,100	$ 3,550	$25,064	$14,973	$ 5,315	$14,406	$42,386
MACHINERY & EQUIPMENT										
Protective	$ -	$ 220	$ -	$ -	$ -	$ 315	$ 67	$ -	$ -	$ 68
Computers	-	-	-	-	-	-	67	-	-	-
Transportation	-	-	50	-	-	871	753	831	915	1,565
Other	-	-	-	-	-	-	-	75	-	-
Total	$ -	$ 220	$ 50	$ -	$ -	$ 1,186	$ 887	$ 906	$ 915	$ 1,633
Included in above:										
Loans for interim financing						$ 2,230	$ 1,333	$ 3,252	$ 9,919	$21,483
Loans for refinancing, redeeming, and restructuring outstanding debt						$ 446	$ 2,460	$ 568	$ 1,149	$ 775

Figure 5

Municipal Boundary Committee

The Committee is composed of full-time members of the Saskatchewan Municipal Board and part-time members representing the Saskatchewan Urban Municipalities Association (SUMA) and Saskatchewan Association of Rural Municipalities (SARM). Hearings are held throughout the Province.

Major Activities

- Review applications for the alteration of municipal boundaries or the amalgamation of municipalities.

  The purpose of reviewing applications is to facilitate an agreement between the affected parties or where this cannot be accomplished, to hear and decide on the proposed alteration.

- Provide advisory assistance.

  Provide municipalities with timely appropriate advice respecting all aspects of committee work including the facilitation and hearing processes.

Progress

- Applications are heard and decisions rendered in a consistent and timely manner; where possible a facilitated agreement is achieved.

  The Committee strives to hear and decide within the legislated timeframe of four months from notification that mediation was not successful resolving the dispute between parties of a completed application received by the Board.

  Decisions are based on a basic framework of *The Municipal Board Act*, which specifies the matters the Board shall take into consideration respecting boundary disputes.

In 2012, the Committee received four applications. Two applications were not successful in mediation and public hearings were required. One decision was rendered in 2012. The second application was heard with the decision pending at the end of 2012.

Of the two remaining applications received, the Board continued to work with the municipality on perfecting one application and the other application was pending the outcome of mediation.

Assessment Appeals Committee

The Committee is comprised of full-time and part-time members. Hearings are held throughout the Province.

Major Activities

- Hear and determine assessment appeals pertaining to the assessed values of real property; local improvement assessments; the tax exempt status of a property; and, conservation and development area authority assessments.

  The purpose is to provide a second level of appeal to applicants and municipalities or conservation and development area authorities, where they are not satisfied with decisions rendered by the local board of revision.

- Hear direct appeals with respect to industrial or commercial properties exceeding $1 million in assessed value, where the appellant, the board of revision, and the municipality have agreed to proceed in this manner or where an application for leave to consolidate appeals has been granted.

- Provide advisory assistance.

  Provide advice and guidance to the public and other client groups regarding the appeal process and related assessment matters. Participate in providing training courses.

Progress

- Appeals are heard and decisions rendered in a consistent and timely manner; pre-hearing conferences conducted, as required, to determine the necessity of subpoenas and to clarify issues to be determined by the Committee.

The Board endeavors to hear appeals within a reasonable time of receipt of a notice of appeal, taking into consideration the availability of internal and external resources and efficiency of scheduling appeals in various locations within a geographic proximity. Appeals with similar issues are grouped and heard at the same time, where practical.
Assuming there are no unusual circumstances, the Board strives to render appeal decisions within ninety days of the date of hearing. The Board's strategic vision seeks to reduce this timeline by 2014.

- Appellants and respondents have access to support through the process.

  Staff are available to assist the appellants and respondents on the appeal process.

Revaluation cycles are four years in Saskatchewan, and the year 2012 was the last year of the 2009 revaluation cycle. In 2009, the Saskatchewan Assessment Management Agency implemented a non-regulated assessment system, which allowed assessors the discretion to use any of the three traditional valuation approaches including the income approach to determine assessed values. The beginning of the next revaluation cycle is 2013 and it is anticipated that there will be an increase in the appeal caseload, similar to 2009.

Assessment Appeals Received in 2012

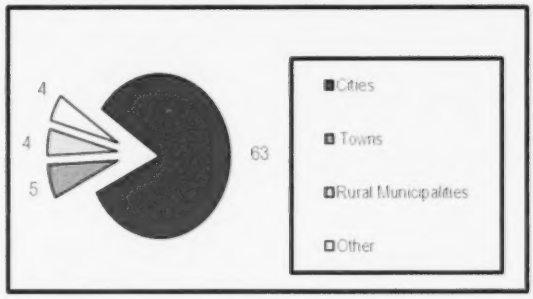


Figure 6

Note: Other includes villages, resort villages and northern municipalities.

Figure 7 shows the status of the outstanding appeals. The outstanding 2009 appeal, and related 2010 and 2011 appeals, were pending a Court of Queen's Bench challenge. Of the 56 outstanding to be scheduled in 2012, 34 of these are pending prior year decisions.

Assessment Appeals Caseload Overview	Appeal Year				
	2008	2009	2010	2011	2012
Received	**107**	**175**	**102**	**112**	**76**
Invalid/Withdrawn	14	10	17	19	5
Decided	93	164	68	48	5
To Be Heard:					
- To be scheduled	0	0	0	1	56
- Not Scheduled - Awaiting Board of Revision record	0	0	0	0	1
- Hearing scheduled	0	0	1	1	5
Heard – Decision pending	0	1	16	43	4

Figure 7

Planning Appeals Committee

The Committee is comprised of full-time and part-time members. Hearings are held throughout the province.

Major Activities

- Hear and determine appeals relating to municipal planning and development of the subdivision of land.

  The purpose is to provide a provincial level of appeal to applicants where they are not satisfied with decisions rendered by the local development appeals board or an authorized subdivision approving authority. Also to provide an avenue for appeals where there is no local development appeals board.

- Provide advisory assistance.

  Provide advice and guidance to the public regarding the appeal process.

Progress

- Applications are heard and decisions rendered in a consistent and timely manner.

  The Board strives to hear appeals within three months of receipt of a notice to appeal and render decisions within sixty days of the appeal hearing date. The Board is sensitive to the construction period when scheduling hearings.

  Where legislation permits, the Board endeavours to facilitate an agreement between the affected parties prior to a formal hearing.

  Decisions are consistent, based on a basic framework for appeal supported by detailed analysis of the issues.

- Appellants and respondents have access to support through the process.

  Staff are available to assist the appellants and respondents on the appeal process.

Figure 8 shows the status of the outstanding appeals and a historic review of the caseload of the Planning Appeals Committee. Of the appeals received in 2012, 22 were related to development issues, 5 to subdivision applications and 2 to servicing agreements.

Planning Appeals Caseload Overview	Appeal Year				
	2008	2009	2010	2011	2012
Received	**23**	**17**	**22**	**18**	**29**
Invalid/Withdrawn	5	1	3	4	4
Awaiting information	0	0	0	0	1
Decided	18	16	18	14	8
To Be Heard:					
- To be scheduled	0	0	0	0	5
- Heard - Adjourned indefinitely at request of parties	0	0	1	0	0
- Hearing scheduled	0	0	0	0	4
Heard - Decision pending	0	0	0	0	7

Figure 8

Fire Prevention Appeals Committee

The Committee is comprised of full-time and part-time members. Hearings are held as required in Regina or Saskatoon.

Major Activities

- Hear and determine appeals and matters concerning fire prevention arising from orders issued by a fire inspector or fire commissioner or certificate for costs incurred in carrying out an order respecting fire prevention and safety.

  The purpose is to provide a second level of appeal to applicants where they are not satisfied with decisions of the local board.

Progress

No appeals have been received for a number of years.

Road Maintenance Agreement Committee

The Committee is comprised of full-time and part-time members. Determinations are held as required throughout the Province.

Major Activities

- Hear and determine at a first level, applications relating to road maintenance agreement issues including whether or not a proposed agreement is required, if an agreement is required the terms required.

- In cases where the parties have entered into an agreement, any issue involving any matter governed by the agreement.

- Provide advice and guidance to the municipalities and the haulers regarding the determination process.

Progress

- Adjudications occur and determinations rendered in a consistent and timely manner. The Committee is legislatively required to make a determination within ten business days of receiving a valid application, subject to extension by written agreement by the parties.

  Determinations are consistent, based on a framework supported by detailed analysis of the issues.

The Board received one application for determination in the years 2010 and 2011. In 2012 the Board received six applications for determination. Figure 9 shows the status of the outstanding determinations.

Road Maintenance Agreement Caseload Overview	Number of Applications
Received	**6**
Withdrawn:	
- Prior to determination	1
- Resolved at determination	1
Decided	2
Heard – Decision Pending	2

Figure 9

Board of Revenue Commissioners

The Board of Revenue Commissioners (BRC) is established pursuant to Section 13(1) of *The Revenue and Financial Services Act*. The Act appoints full-time members of the Saskatchewan Municipal Board as members of the BRC. The Minister in charge is the Minister of Finance.

The operating and staffing costs associated with the BRC are absorbed within the Saskatchewan Municipal Board's budget.

Major Activities

- Hear at a first level and determine appeals respecting taxes imposed or assessed pursuant to and by virtue of any provincial taxing enactment and respecting other monies claimed to be due and payable to the Crown, where the

right of taking an appeal to the BRC is given by any statute.

- Approval of any write-off or cancellation of monies owing to the Crown.
  The BRC is an independent source to approve write-off or cancellation of debt owing to the Province.

Progress

- Applications are heard and decisions rendered in a consistent and timely manner; where possible a facilitated agreement is achieved.

  The BRC strives to hear appeals as soon as possible after receipt of the notice of appeal, giving consideration to requests of the affected parties to extend time until the hearing in order for them to negotiate settlement, if possible.

- Requests for write-offs and cancellations are reviewed and approved in a consistent and timely manner.

  The BRC strives to review and approve write-offs and cancellations within two weeks of receipt of the authorized request.

The number of appeals filed with the BRC is dependent on the number of Notice of Assessments issued by the Province respecting provincial tax legislation. Figure 10 shows the status of outstanding BRC appeals. In 2012 ten appeals were withdrawn and one appeal was decided.

Figure 11 shows the historical level of write-offs and cancellations approved by the BRC. A request may involve a single account or a listing including multiple accounts.

Appeals:

Board of Revenue Commissioners	Appeal Year					
Caseload Overview	**2004-2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Received	103	37	13	35	22	6
Invalid/Withdrawn	72	18	6	23	5	2
Decided	23	14	4	0	0	0
To Be Heard:						
- Not Scheduled - Awaiting submission[1]	6	4	3	7	13	4
- Not Scheduled - Awaiting grounds from appellant	0	0	0	0	1	0
- Hearing scheduled	0	0	0	0	3	0
To Be Closed:						
- Appellant cannot be located or is bankrupt or matter resolved and awaiting withdrawal from appellant	2	1	0	1	0	0
Heard-Adjourned Indefinitely	0	0	0	2	0	0
Total Outstanding at December 31 2012	8	5	3	10	17	4

Figure 10

Write-Offs and Cancellations:

	2008		2009		2010		2011		2012	
	No.	**$'s**	**No.**	**$'s**	**No.**	**$'s**	**No.**	**$'s**	**No.**	**$'s**
Cancellations	**4**	25,776	**9**	46,645	**7**	12,542,023	**23**	4,313,200	**13**	642,116
Write-Offs	**50**	12,253,709	**46**	6,666,234	**22**	1,844,506	**39**	9,367,968	**23**	5,221,621
TOTAL	**54**	12,279,485	**55**	6,712,879	**29**	14,386,529	**62**	13,681,168	**36**	5,863,737

Figure 11

Goals for 2013

The Saskatchewan Municipal Board considers it important to focus on the following goals over the next three years:

Organizational

- Implementation of a new organizational structure responsive to change in the Board's mandate and needs of the stakeholders. Building an organization that is flexible and dynamic; removing the 'silos' presently existing with a structure based on the various committee work.

- Implementation of performance measurement, assessment, and development of both the staff and the board, working towards ensuring we have a high performing, respected and professional work force.

- Development of relationships with stakeholders and ministries, and completion of environmental scans.

Processes

- Review of committee processes, considering the basic principles of 'lean' process reviews, and striving to achieve standardization, where possible, across committees.

Timeliness

- Improve the timeliness of decisions rendered by the Board. Hearings are scheduled faster and decisions are rendered on a more timely basis.

- Improve the timeliness of regulatory applications approved by the Board.

Technology

- Review available software and hardware technology to assist in improving delivery of SMB services and on-going performance measurement.

- Modernize website to address critical need for building capacity of municipal administration (webinars, on-line application, etc.) and ensuring a customer friendly resource for those utilizing the services of the SMB.

In addition to focussing on these goals, in 2013 the SMB will also be concentrating on the following:

- *The 2013 assessment revaluation cycle.*

  The workload of the SMB increases significantly in the first and second years of a revaluation cycle. The SMB participates with the Ministry of Government Relations and SAMA in the delivery of workshops to local boards of revision members.

- *'Planning for Growth' mandate.*

  Various committees of the SMB have roles that relate to and/or support this vision. The Local Government Committee ensures the fiscal sustainability of municipalities; the Planning Appeals Committee provides an appellate role respecting development; and the Municipal Boundary Committee provides an adjudicative role with respect to municipal annexations. Continued growth and development and the requirement to replace aging and outdated infrastructure results in increased activity in appellate caseload and regulatory approvals.

By focusing on and achieving these goals, the Board will be positioned to successfully provide its core business as an appellate and regulatory board and meet the needs of our customers – providing the quality of service they require, when they require it and delivered in a way that they need it.

Financial Overview

Financial Results

Total 2011-12 expenses for the Saskatchewan Municipal Board were $1.198 million, representing a variance of $192 thousand under the approved appropriation, primarily as the result of lower than anticipated salary related payments due to vacancy and lower than anticipated honorariums and travel expenses due to a lesser than anticipated number of appeals.

The total 2011-12 revenues were $112.6 thousand, representing a variance of $58.6 thousand above budget. The variance is primarily attributable to greater than normal debenture authorization fees from a greater number of debentures with a higher dollar value being authorized.

Statement of Expenditure

Subvote/Subprogram	Actual 2011-12	Budget / Estimate 2011-12	Variance Over/(Under)	Note
Administration/Local Government Committee				
Salaries	$ 670,184	$ 735,000	$ (64,816)	(1)
Operating Expenses	232,419	248,000	(15,581)	(2)
Subtotal	$ 902,603	$ 983,000	$ (80,397)	
Planning Appeals Committee				
Salaries	$ 84,462	$ 101,000	$ (16,538)	(3)
Operating Expenses	9,388	6,000	3,388	(4)
Subtotal	$ 93,850	$ 107,000	$ (13,150)	
Assessment Appeals Committee				
Salaries	$ 189,954	$ 262,000	$ (72,046)	(3)
Operating Expenses	12,429	39,000	(26,571)	(5)
Subtotal	$ 202,383	$ 301,000	$ (98,617)	
TOTAL	**$ 1,198,836**	**$ 1,391,000**	**$ (192,164)**	

Explanations of Variances - Notes

1 - Lower than anticipated salary related payments due to vacancy.
2 - Lower than anticipated office and general contractual costs and travel expenses.
3 - Less than anticipated caseload level for appeals.
4 - Higher than anticipated travel costs required as the result of more out of town appeals.
5 - Less travel costs required as the result of less than anticipated caseload level and delays in hearings outside Regina.

Figure 12

Statement of Revenue

Description of Revenue	Actual 2011-12	Budget / Estimate 2011-12	Variance Over/ (Under)	Note
Filing Fees	$ 27,950	$ 20,000	$ 7,950	[1]
Debenture Authorizations	79,719	30,000	49,719	[2]
Debenture Forms	4,900	4,000	900	
TOTAL	**$ 112,569**	**$ 54,000**	**$ 58,569**	

Explanations of Variances - Notes

1 - Filing fees are treated as conditional receipts until the finalization of the appeal, which may take up to three years. Appellants that are successful in their appeal or withdraw their appeal have the fee refunded to them. Where the appellant is not successful in their appeal, the filing fee is transferred from conditional receipts to revenue. The Board has traditionally refunded approximately 50% of the revenue received for filing fees. There was a greater than anticipated percentage of appellants successful in their appeal and a less than anticipated number of appeals filed.

2 - A higher than anticipated number and dollar value of debentures issued, primarily due to the favourable interest rate offered.

Figure 13

Financial Accountability Statement

The Saskatchewan Municipal Board is responsible for ensuring:

- Public accountability for Government finances entrusted to the Board;
- Fiscally responsible management of its resources and financial affairs;
- Compliance with existing legislation and regulations;
- Systems and controls are in place to safeguard public assets; and,
- Appropriate results are reported to the public and the legislature.

There are a number of external controls in place to monitor these responsibilities. These include:

Audited Results - The Provincial Auditor's Office has legislative responsibility to audit the Board in conjunction with the Ministry of Municipal Affairs audit. Audit conclusions are published in a report to the Legislative Assembly of Saskatchewan. If a deficiency is reported by the Provincial Auditor, the Board may be called to appear before the Public Accounts Committee of the Legislature.

Accountable to Legislature - The Board's annual budget is detailed in the Saskatchewan Provincial Budget Estimates. The Board is called to appear before a Legislative Committee to defend the Board's budget estimates.

Public Reporting - Expense and revenue details as they pertain to the Board are published in the Board's Annual Report, and included with the Ministry of Government Relations in the Public Accounts Volumes 1 and 2.

For More Information

Additional information about the Saskatchewan Municipal Board is available at:

www.smb.gov.sk.ca

and the Board of Revenue Commissioners is available at:

www.gov.sk.ca/BRC

The website includes general and detailed information about the Board, its key services and legislation for which the Board is responsible.

For more information about the Board, or to provide feedback about our 2012 Annual Report, please contact us at:

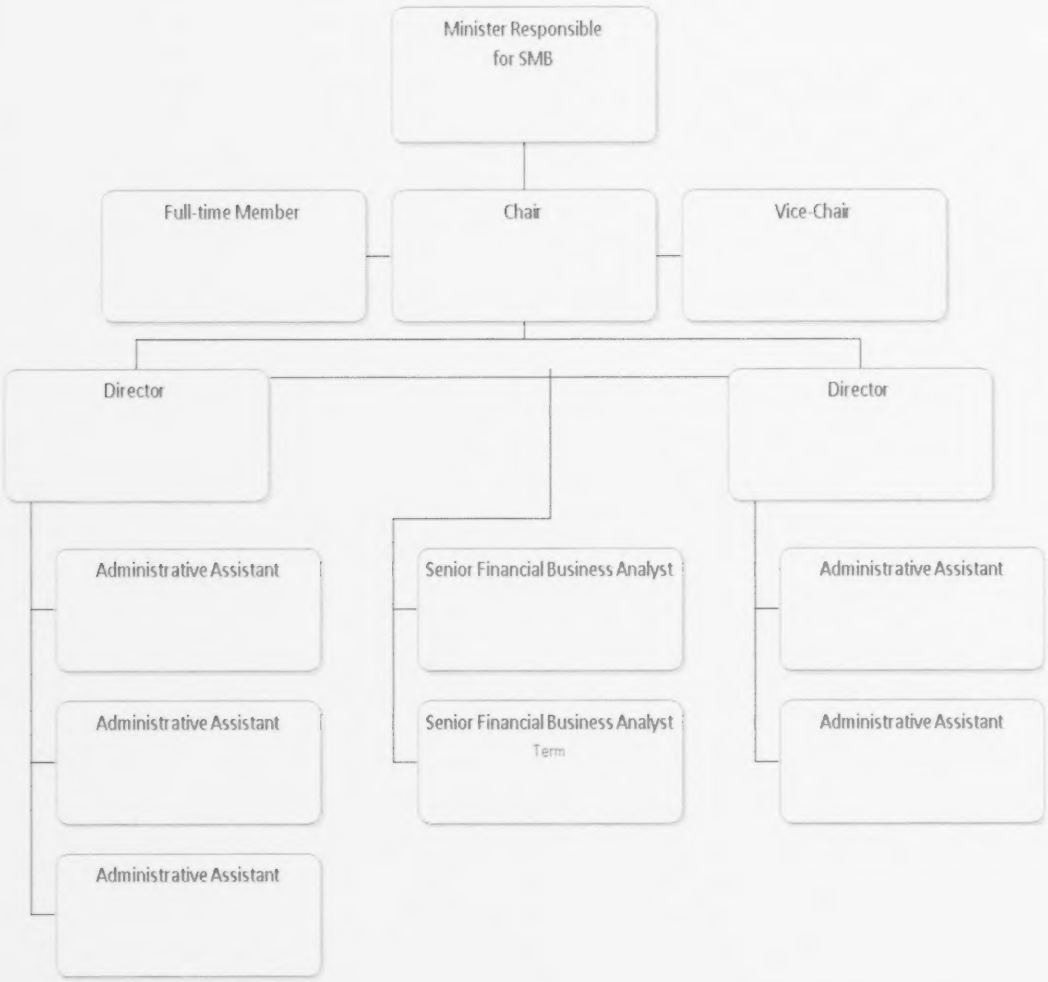
Phone: (306) 787-6227
Email: **info@smb.gov.sk.ca**

Mailing address:

Director, Saskatchewan Municipal Board
480 - 2151 Scarth Street
REGINA SK S4P 2H8

Appendices

Organizational Chart as at December 31, 2012



Legislation

The Board fulfills its mandate through a number of Acts and their associated regulations. Enabling legislation is listed below:

The Assessment Management Agency Act
The Cities Act
The Conservation and Development Act
The Education Act, 1995
The Fire Prevention Act, 1992
The Local Improvements Act, 1993
The Municipal Board Act
The Municipalities Act
The Northern Municipalities Act, 2010
The Planning and Development Act, 2007
The Weed Control Act

The Board has authority to approve or determine matters under several other Acts. However, applications and/or appeals under these Acts are not often received.

The Board fulfills its mandate as the Board of Revenue Commissioners through the following enabling legislation:

The Corporation Capital Tax Act
The Crown Minerals Act
The Provincial Sales Tax Act
The Fire Prevention Act, 1992
The Freehold Oil and Gas Production Tax Act
The Fuel Tax Act, 2000
The Liquor Consumption Tax Act
The Mineral Taxation Act, 1983
The Revenue and Financial Services Act
The Tobacco Tax Act, 1998

There are eight other Acts the Board of Revenue Commissioners has authority to approve or determine matters under. However, appeals pursuant to these Acts are not often received.